

# Problems and Challenges of Agro Entrepreneurship - A Study

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## ABSTRACT

Noting calls for contextualizing Agro entrepreneurs problems and challenges of the agro entrepreneurs and for greater attention to the Role of entrepreneurs in agro entrepreneurship research, we conduct a systematic literature review of extent research in agriculture entrepreneurship to overcome the study objectives of complications of agro entrepreneurs through various factors, Development of agriculture products is a key factor for the overall economic growth of agro entrepreneurs Agro Entrepreneurs produces firsthand large-scale employment, utilizes the labor and natural resources, This research outlines the problems of Weather and Soil Erosions, Market price fluctuation, stimulates labor cost problems, reduces concentration of Price volatility, Dependency on Intermediaries, induces Limited Bargaining Power, and Storage and Transportation Costs. This paper mainly devoted to highlight Problems and challenges faced for the sustainable of Agro Entrepreneurs in India.

**KEYWORDS:** *Agro entrepreneurs, Agriculture, Production, Manufacturing Yield, Supply, Market price, Volatility*

## INTRODUCTION

Economic development is mostly driven by entrepreneurship. The relevance of entrepreneurship development rises in times of economic distress. There is a correlation between entrepreneurship and better growth, prosperity, and quality of life. Because most backward regions in emerging nations like India rely too much on agriculture for employment, planning and implementing entrepreneurial program development is crucial to increasing the standard of life for the great majority of these regions. As a result, the development of entrepreneurial endeavors appears to be the most effective alternative for locating employment opportunities, generating income, reducing poverty, and enhancing nutrition, health, and overall food security in the national economy.

Agriculture is the major product market in both domestic and international trade. The world is heading towards technological advancement across all industries, which implies that the business system is under more and more pressure to adapt to the various sectors that produce agricultural products. The different factors that are driving this transition include land size and urbanization. Increased population expansion and the modernization of income sources

produce higher incomes necessary to meet financial needs. In order to develop the production, supply, price, and working relationships with various levels of farm organization, new skills are needed to support agriculture products in the value chain and fulfil the drive factor. Improving the market participation of agro entrepreneurs is widely recognized as a critical component of raising their standard of living.

The world is moving towards the upgradation of technology in all the industries which means there is increasing pressure of business system in to the diffract Agro products production sectors This change is driven by the various factor such as Land size, Urbanization Raped population growth, Modernization of income sources, generate larger incomes to support the economical need. In order to meet the drive factor new skills to support the agriculture products in the value chain to develop the production, supply, price, as well as the working with levels of farm organization Enhancing agro entrepreneurs' participation in the market is broadly acknowledged as a significant element of refining their standard of living.

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The incredible openings present in the agro entrepreneurship have permitted the upgrade of Agro products in Numerous agriculture areas offer hopeful chances for Agro entrepreneurs and savers looking to enter the agricultural sector. The mainstream of agro producers raise food for their families, but almost all of them also sell a portion of it to different marketplaces, and the amount of market sales is rising from their contribution towards the economic strength. Agro entrepreneurs are therefore trying to take a risk of collecting the agro products and identifying the right market to make those products to reach to the end users or to the agricultural businesses enterprises.

In contrast, agro entrepreneurs controlled the means of subsistence for humanity, and in India, as they were known, farmers are the backbone of the country because they work in agriculture within the country's borders. When it comes to entrepreneurship, someone with the will to succeed must be willing to take on risk, secure funding from a variety of sources, and assume all lead generation risk in order to meet the demands of the firm. Here, agriculture has been given a new production system by embracing cutting-edge techniques and mechanisms and employing all four Ms (Men, Material, Machine, and Marketing) to generate profits through accepting integrated approaches from production to the services provided to end customers. A significant part of agricultural development is the allocation of credit for agricultural production. The variations in agricultural technologies increased the demand for credit. A major factor in the mindset shift of agricultural businesses from traditional to modern agriculture is credit.

## OBJECTIVES OF THE STUDY

- To understand the problems that affects the agro entrepreneurship.
- To analyses the challenges faced by the Agro entrepreneurs by recognizing the problems.
- To analysis the different agro products of agro entrepreneurs.

## LITERETURE REVIEW

**Dr. Sushil Kumar Singh, Ram Pravesh,(2016),“An Analytical Study of Agricultural Entrepreneurship Development in India”.** Researcher tried to explore the Agro Entrepreneurs and related activities across India were investigated by researchers using secondary data. By segmenting it into regions, a subsequent article addresses the production activities and difficulties faced. According to the study, the country's agricultural productivity is dependent on the weather and climate, which is an attempt to identify the issue with the development of agricultural entrepreneurship. It is thus having an impact on the type and scope of agricultural

entrepreneurship in areas with strong agricultural infrastructure. However, one method for overcoming these obstacles is the study of agro entrepreneurship, which can also help to decrease poverty, enhance social and economic progress, and offer wholesome food and food security. Furthermore, it facilitates the diversification of the economy and revenue streams among members by offering job and entrepreneurship options.

**Prof. Dr. Saikumari.V., et.al (2017), “Challenges & Opportunities in Agricultural Entrepreneurship with reference to Thanjavur district”.** The Review examines the difficulties faced by agro entrepreneurs engaged in farming and agricultural production. In the context of issues with the production of agricultural products, the research was started by speaking with farmers in the Thanjavur District, Tamil Nadu, India, namely in the villages of Kohoor, Sakottai, Thippirajapuram, and Orathanadu. Differential analysis is utilized to pinpoint the many difficulties associated with agro-entrepreneurship, leading to the unambiguous determination of remedies. The essay outlines the challenges, circumstances, essential skills, and The study's prospective findings are Insufficient rainfall during the season, coupled with crop drying from water scarcity, results in a high prevalence of pests and diseases. labor migration brought on by pay increases.

**Alexandra Pliakoura (2021). “The Accepting the challenges of agricultural entrepreneurship and management development research: a viewpoint”** In this study authors reviewed five earlier works, which came from a significant amount of empirical research in the subject of agricultural entrepreneurship, this paper was written. These articles provide empirical and theoretical study utilizing both quantitative and qualitative data regarding the difficulties influencing various facets of agricultural entrepreneurship research. Researchers acknowledge the need for inclusive thinking, arguing that the development of personal skills should not only be restricted to traditional production methodologies and particular courses, but also require a different pedagogical style for a changing economic environment. Businesses have become interested in human capital management due to the high cost of labor and the shortage of skilled labor for agriculture-related activities. Additionally, agents involved in entrepreneurship.

**Dr. Shivani Katakwar (Hatewar), Dr.Shivani Katakwar (Hatewar) (2022). Agri-Entrepreneurship -Challenges and Opportunities”.** In this article researcher tries to analyses that millions of Indian farmers depend on

agribusiness for their livelihood, as researchers have shown in these publications. Some limitations and difficulties, meanwhile, are seen when engaging in agribusiness. These obstacles must be addressed in order to practice agri-preneurship: market research, connection building, advising the government on policy and pricing revisions without the use of middlemen; cultivation; crop production and processing; and so on. The lack of skilled labor as well as the uptake of new technology and inputs for mass production using machinery. India. Farmers comprising of landlords, small owners and tenant reapers are considered in this research. This survey is articulated through primary data which has been collected by means of field visits and interview methodology

**Meaning:** Agro entrepreneurship, habitually identified as agricultural entrepreneurship, deals with the production supply and selling of various agricultural products and inputs for the fulfillment of the end users of the agro products.

Agro Entrepreneurship in general are those enterprises that have direct links with agriculture products. It covers a variety of agriculture production, manufacturing and processing activities based on agricultural products and raw materials as well as activities and services that go as inputs to agriculture yield.

**Definition:** According to Shaun Ferris” Agro Entrepreneur: An individual who starts, organizes and manages a business venture focusing on the agricultural sector”

#### **Agro Products:**

Agro Entrepreneurs interested in agriculture have a wide range of products to consider, depending on factors such as climate, soil conditions, market demand, Price, and personal interests. Before starting a production and supply of agriculture business, Agro entrepreneurs should conduct thorough market research, assess the feasibility of their chosen products, and develop a solid business plan to ensure the success of their Enterprises. Here are the few Products which Agro entrepreneurs can produce and start the self-enterprise in making the entrepreneurial activities

- **Fruits and Vegetables:** Growing fruits and vegetables can be a lucrative Enterprises, especially if there is high demand for fresh, locally grown produce. Agro Entrepreneurs can focus on unique or specialty crops to differentiate their products in the market.
- **Agriculture Machinery Enterprisers:** Machineries and Technology executions in the

agriculture process help in various agriculture activities This includes tractors, plows, cultivators, seeders, harvesters, Sprayer, Rotavator, Harvester, Planter, Seed drill, Power tillers, sprinklers etc.

- **Herbs and Spices:** Cultivating herbs and spices can be a profitable niche market, especially for culinary or medicinal herbs that are in high demand.
- **Organic Produce:** With the growing demand for organic food, Agro entrepreneurs can consider organic farming practices to produce certified organic fruits, vegetables, grains, and other products.
- **Nuts and Seeds:** Growing nuts and seeds, such as almonds, walnuts, sunflower seeds, or chia seeds, can be a profitable Enterprises, especially in regions where these crops thrive.
- **Livestock and Foods and feeds:** Raising livestock, such as cattle, pigs, poultry, or goats, can be a profitable Enterprises, especially if there is demand for organic or pasture-raised products. Production of food and feed for the yields from livestock's
- **Dairy Products:** Producing dairy products, such as milk, cheese, and yogurt, can be a profitable Enterprises, especially if there is demand for locally sourced, artisanal products.
- **Aquaculture:** Raising fish or other aquatic animals, such as shrimp or tilapia, through aquaculture can be a profitable Enterprises, especially if there is demand for sustainable seafood.
- **Flowers and Ornamentals:** Growing flowers and ornamental plants can be a profitable Enterprises, especially if there is demand for locally grown flowers for bouquets, weddings, or other events.
- **Honey and Bee Products:** Beekeeping can be a profitable venture, especially if there is demand for local honey, beeswax, or other bee products.
- **Alternative Agriculture Products:** Entrepreneurs can also consider alternative agriculture products, such as mushrooms, algae, or insects, which are gaining popularity due to their nutritional value and sustainability.

## **PROBLEMS AND CHALLENGES FACED BY THE AGRO ENTREPRENEURS**

### **1. Weather and Soil Erosions Affects the Agro Entrepreneurs:**

Challenges posed by weather and soil erosions require Agro Entrepreneurs to be resilient, adaptable,



and innovative in their practices to ensure food security and sustainable agriculture in the face of changing environmental conditions

- **Erratic Weather Patterns and temperature extremes:** Climate change has led to more unpredictable weather patterns, including irregular rainfall, droughts, floods, and severe storms. These changes can damage crops, reduce yields, and increase the risk of crop failure. Rising temperatures can affect crop growth and development. Heat waves can lead to heat stress in crops and livestock, affecting their health and productivity.
- **Changing Growing Seasons and water availability:** Shifts in temperature and precipitation patterns can alter growing seasons, disrupting planting and harvesting schedules and affecting crop yields. Changes in precipitation patterns can impact water availability for irrigation, which is crucial for crop growth, especially in areas where rainfall is unreliable
- **Pest and Disease Pressure and Soil Erosion:** Changes in weather patterns can influence the distribution and prevalence of pests and diseases. Warmer temperatures and higher humidity levels can create favorable conditions for pests and diseases to thrive, leading to crop damage and losses. Heavy rainfall and flooding can cause soil erosion, washing away nutrients and reducing soil fertility. This can affect crop growth and productivity.

## 2. Market Price Fluctuations Challenges Which Affects the Agro Entrepreneurship

Market price fluctuations can significantly impact farmers' income and profitability and challenges for farmers, highlighting the need for effective risk management strategies, improved market access, and greater transparency in agricultural markets

- **Income Volatility & Input Costs:** Fluctuations in market prices can lead to unpredictable income for Agro entrepreneurs also to produce and make it reach to the end users, making it difficult for them to plan and manage their finances effectively. Fluctuations in market prices can also impact the cost of agricultural inputs such as seeds, fertilizers, and pesticides, affecting Agro Entrepreneurs overall profitability.
- **Market Access and Dependency on Intermediaries for Market information:** Agro Entrepreneurs in remote or rural areas may face challenges in accessing markets with stable prices, limiting their ability to sell their products at fair prices. As Farmers often rely on

middlemen or intermediaries to supply their products which can result in lower prices due to the added costs in the supply chain. Agro Entrepreneurs will be having limited access to timely and accurate market information can also hinder Producers ability to make informed decisions about when and where to sell their products.

- **Seasonal Price Variations for Global Market Trends:** Prices for agricultural products often vary seasonally, leading to fluctuations in income for Agro Entrepreneurs depending on the timing of their harvests. Producers are also affected by global market trends and fluctuations in prices, which can be influenced by factors such as international trade agreements, currency exchange rates, and global supply and demand dynamics.
- **Risk Management because of Limited Bargaining Power:** Agro Entrepreneurs are exposed to price risk, as they may face situations where the cost of production exceeds the market price they receive for their products. This can lead to financial losses and debt. Small-scale producers may have limited bargaining power in negotiating prices with buyers, leading to lower prices for their products.
- **Storage and Transportation Costs:** Agro Entrepreneurs may incur additional costs for storing and transporting their produce to markets, which can further reduce their profitability, especially during times of low market prices.

## 3. Cost of Labors is a Challenges Affects the Agro Entrepreneurship

The cost of labor is a significant challenge for many farmers, particularly in regions where labor is a major input in agricultural production The cost of labor is a complex and multifaceted challenge for Agro Entrepreneurs, requiring them to carefully manage their labor resources and explore innovative solutions to improve efficiency and productivity

- **Rising Wages of Seasonal Labor:** Labor wages have been increasing in many regions, driven by factors such as minimum wage laws, labor shortages, and increasing cost of living. This can significantly impact the overall cost of production for Agro product producers. Agriculture often relies on seasonal labor for activities such as planting, harvesting, and weeding. Finding and retaining seasonal labor can be challenging, especially during peak seasons when demand is high.
- **Competition for Labor because of Labor Shortage:** Farmers may face competition for

labor from other sectors, such as construction, manufacturing, and services, which can drive up wages and make it more difficult to attract and retain agricultural workers. In some regions, there may be a shortage of agricultural labor, leading to increased competition among farmers for a limited pool of workers. This can result in higher wages and difficulties in completing farm work on time.

- **Informal Labor Practices with Lack of Training and skills development:** In some cases, farmers may rely on informal or undocumented labor, which can lead to exploitation of workers and legal risks for farmers. To improve efficiency and productivity, farmers may need to invest in training and skills development for their labor force. However, this can also add to the cost of labor which will be huge cost for the Agro entrepreneurs
- **Mechanization Costs for Health and Safety Regulations:** To reduce reliance on labor, some farmers may invest in mechanization, such as tractors, harvesters, and other equipment. However, the initial cost of mechanization can be high, posing a challenge for small-scale farmers with limited financial resources. Compliance with health and safety regulations, such as providing protective gear and ensuring safe working conditions, can add to the cost of labor for farmers.

### Scope of the study:

The research was carried out purely on the basis of secondary data; consequently, in order to achieve a more favorable outcome, we may consider conducting a research-based study. The objective of this report is to gain an understanding of the agro entrepreneurs and the impact of problems and challenges brought about by factors such as weather and labor cost, which can lead to price fluctuations for agro entrepreneurs.

### Limitation of the study:

The research described above is limited to secondary data, and the concept is restricted to only agro entrepreneurs. For the purpose to gain an understanding of the challenges and obstacles that agro entrepreneurs face in the production and supply of agricultural goods, we conducted an analysis of the difficulties and difficulties that relate to agro entrepreneurship activities in agricultural production in general. In order to conduct an in-depth study, we make use of data obtained from articles and research papers pertaining to agro entrepreneurship. The scope of this essay is limited to the emotional issues faced by a variety of agricultural product businesses,

including the challenges posed by labor costs, fluctuations in the market, weather, and soil erosion.

### Methodology

This research paper based on secondary data and data are collected from journals, articles Newspaper. Our focus in this paper is Agro entrepreneurship in agriculture in the context of problems and challenges of entrepreneurship protection. On the basis of theoretical knowledge and empirical evidence we analyses agro entrepreneurship in general and in particular to production and supply of Agro products

### Conclusion:

This research concludes the roles of agro entrepreneurs in producing the agro products by using literatures as the study. The data generated were analyzed using simple analysis and formulated. The study revealed among others that agro entrepreneurship encounter problems in the procurement and productions of the products from labors and Market. The study also revealed that Labor cost have underwrote significantly problem to the development of agro entrepreneurship their profitability and Technology Implication. Also the study revealed that Market price volatility have significantly contributed to the Challenges faced by the Agro Entrepreneurs activities through Production and supply functions. It is seen from the study that the role weather and soil erosion play in the process of product production and maintain by Speculation of pesticides promotion and advisory, statutory and health and safety of agriculture labor which Leads to the cost of Providing training avenues for local agro entrepreneurs Finally, agricultural entrepreneurship is a vital component of modern agriculture that enables farmers and agribusinesses to continue to be successful and competitive. To create and put into exercise sustainable innovations that benefit both the farmer and the environment, it is crucial to think creatively, take calculated business risks, be resilient, and be passionate. In this article, we covered a summary of agricultural entrepreneurship, its definition, the necessity of agro entrepreneurs, its traits, and some examples of agro entrepreneurship

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